

The original documents are located in Box 14, folder “Transition (1974) - Suggestions from the Cabinet and Agency Directors (1)” of the Richard B. Cheney Files at the Gerald R. Ford Presidential Library.

Copyright Notice

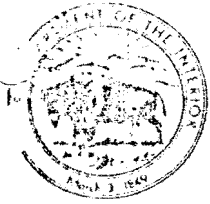
The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

August 1974

Transition book

Views of agencies + depts
about W.H. - OMB - etc.

R. Cheney



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

Dear Mr. President:

In response to your request for a review of the White House organization, its structures, missions, systems, and procedures, I have personally met with nine of your senior Cabinet officials to discuss their concerns and recommendations.

The results of these conferences have clearly defined five major areas of concern and all have developed around a central theme of the usurpation of departmental powers in various ways by the White House staff and the Executive Office of the President.

These major areas are as follows:

I Operations of the Office of Management and Budget

The OMB has become politicized over the past few years and has expanded its role beyond fiscal policy and management into legislation and policy formulation.

II Role of the Domestic Council

The Domestic Council has been submerged under the management function of OMB and has not achieved its function to streamline and coordinate the means by which domestic policy is formulated.

III The Functioning of the Economic Councils

There is considerable concern over the several groups in the White House dealing with economic policy and the lack of a central coordinator.

IV Personnel

The White House Personnel Office has taken too much of the responsibility and initiative in personnel selection away from the Departments, leading to lengthy delays in filling key staff positions.

V White House Communications

The White House Press Office and Office of Communications should be molded into one office, and departmental public affairs personnel should be included in that operation.

I would appreciate the opportunity to discuss this in greater detail with you at your convenience.

Sincerely,

Secretary of the Interior

The President
The White House
Washington, D. C. 20500

EXTRACT OF COMMENTS

I. Domestic Policy and Administration

A. Organizational Structure

Ash: Staff Secretariat of the President is the most important function; keeps him closely involved in and tied into everything. Very important he have access to more than one source of information through a deliberate redundancy built into the organization, and interaction and overlap between areas.

Ash: Recommendation

The overlap should exist in the following manner in three substantive areas:

- (1) International
- (2) Economic
- (3) Social (Domestic)

The three areas cutting across that are:

- (1) Servicing of the President
i.e. PR
General Counsel, etc.
- (2) Legislation
Relationship with Congress
- (3) Operations
Machinery of government

The above six individuals would all work together, each with his general area of responsibility, thus giving the President the benefit of their interaction.

Dent: WH has been so centralized that "a strong outside constituency has been beating on the doors of the WH". These contacts should be shifted back to the Departments.

Participation by Governors in the Administration should be reinvigorated.

Lynn: Changes in organization set you back two to three years and substantive ones aren't needed now. We have things on paper we haven't implemented. Long term operations such as FEA and DENR should be folded back into the Departments. Don't need CEQ or EPA as separate entities.

B. Relations with the Cabinet

Weinberger: A regular Cabinet meeting day should be established; memorandums should be delivered to President in their original form, not paraphrased by staff members. Department personnel should be welcomed by the WH, and better relations established between the two.

Ash : President should work directly with Cabinet officers, devoting at least one hour per month to each Cabinet head and meeting once every six months with key Departmental people on Presidential objectives. Don't put a lot of people between the President and the Departments.

C. Relations with Congress and Legislation

Weinberger: Cabinet members should negotiate legislation, not OMB.

Ash : (1) Need a closer working relationship between WH and
the Departments in legislative action.

(2) Timmons' office needs strengthening

(3) OMB's legislative response has been poor.

Dent : (1) Wrong for OMB to branch out into Congressional
relations as they have been doing -- Departments
should have total responsibility for Congress.
Legislative clearance has been one of the big
faults of the past Administration.

(2) Timmons' office needs better coordination with
Departments. It has been fouled up with OMB.

D. Role of the Domestic Council

Dent: The Domestic Council has been submerged under the management function of OMB. It should be used, perhaps chaired by the V.P. Domestic Council subcommittees should be developing long-term policies and strategies and using the Departmental staffs. For the short-term, the President needs a counselor with each area represented to make quick decisions.

Lynn: Domestic Council makes a lot of sense. The Chairman of a Domestic Council committee or task force must devote substantial time to this and should have staff work done by the Departments. Chairmanships should be rotated, thereby giving the President more exposure on more subjects and from various Departments at once. The WH liaison must be one who can "look way downstream and monitor sloppy work".

Ash: The domestic area should be doctrinal on a high order, conceptualized in a manner such as Rockefeller's "Critical Choices".

E. Role of OMB

Weinberger: OMB has been expanding its role beyond fiscal policy and getting into policy formulation and public relations activities. OMB intervention by GS-15s has occurred with agency heads and their programs (i.e.: NIH)

Lynn: OMB is the one place for pure professionalism, concerned with the good of all the country. It has been involved in all aspects - management and politics, etc.; it should be involved in systems

and clear legislation. Departments could use management help from OMB, and OMB should limit their policy involvement when a Department is working on it.

II. Communications

Ash: Essential to have a good PR man serving the President; should bring together the following three elements under one head.

- I. Clawson Operation - Affirmative PR Events
- II. Ziegler - press responsiveness
- III. Barody - Affirmative action with groups

- Dent: 1. Press office and Office of Communications should be under one head.
2. Contributions by Departmental public affairs people could be significant. They should be involved in operation, perhaps under the Deputy Press Secretary.
3. Electronic media should be used to better advantage.

III. Economics

Ash: Council of Economic Advisors should be:

- I. Sterile politically
- II. Deal with fact, figures, and forecasting
- III. Must be integrated
- IV. Deal with issues such as coal - steel policy, but not into controls
- V. Not operational

Council on International Economic Policy

- I. Concentrates in area of international policy and serves where international and domestic economics cross.

Treasury

Should be pure economics: - taxes and managing the debt

Lynn: One person should chair Economic Council and it should be institutionalized; recommend elimination of Rush office.

International Economics: Coordination at this level should be handled by the State Department (Ingersoll) or a Deputy Secretary of Treasury.

Dent: We haven't used the economists within the Departments

IV. Personnel

Dent: President should make a "Call to America" for the "Best in America" to come to Washington and lend their talent. Need a big name heading this recruitment. Departments should have more say in personnel selection

Policy Initiatives

Ash: President does not have room for any new initiatives (not to spend money). Options are:

I. Hold down outlays without legislation (i.e.: 40,000 lay-off)

II. Controllable programs

- 5% of the federal budget is controllable (i.e.: school lunch program)

III. Cut back Social Security

Should legislate all by proportionate amounts. All of this would not affect the inflation rate (1/20th of 1%)

Above could be good because:

I. psychology

II. everything saved in '75 is a lower base for '76-'78-'80

III. 1% change in direction 100 miles down the road would have a significant effect

TREASURY

INTERVIEW NOTES

SECRETARY SIMON, Department of Treasury

1. Poor management to have people in the White House running the Departments.
2. There should only be three things of concern and they say it all.
 - a. White House
 - b. Economy
 - c. Energy
3. You don't need a White House coordinator.
4. Roll Domestic Council into OMB.
5. Use of OMB by Nixon Administration was terrible--Shultz agreed. He couldn't believe how its use was distorted.
6. Need someone like Greenspan to head OMB or maybe Bill Siedman.
7. Think Haig is good choice. Have already discussed some of the problems with him.
8. When you put in an advisor for an activity he creates a monstrous organization, and then starts policy and control. One way to stop is to create the White House involvement (contact) at a lower level such as a Deputy. In other words--White House presence as a lower level.

JUSTICE

INTERVIEW NOTES

ATTORNEY GENERAL SAXBE, Department of Justice

1. A better loop for selection and clearance of personnel in the White House is necessary. We lose weeks and weeks of time trying to get clearances from the White House because everyone over there gets into the act and of course we have run a blood test already with Congress. ABA etc.
2. President needs a General Counsel as soon as possible (conscience of the President) should be legal ADVISOR to President.
3. OMB is a problem. They get involved in Congressional relations.
4. Domestic Council should be used for policy but should be much smaller.

INTERIOR



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

August 16, 1974

MEMORANDUM TO THE PRESIDENT

Following are Interior's responses to questions concerning White House reorganization:

How should the President receive and evaluate information relative to domestic policy?

We know some models to avoid in receiving and evaluating information for the President:

- Cabinet meetings, unprepared by good staff work, have never proved to be an effective means of communication for the President.
- Filtering of information up through a hierarchial staff with a single Presidential adviser at the top has frequently prevented the President from receiving views which should have been important to him.
- Holding the door to the Oval Office open wide to all comers is totally impractical.
- The President cannot safely rely on the advice of single individuals or of isolated parts of the Executive Branch bureaucracy.

The requirements of an effective process of communication between the President and his domestic agencies are:

- Careful identification of major policy issues and important questions of fact by competent analytical staff under the control of the President's immediate advisers.
- Heavy input into the analysis of these issues in the answering of the questions by Cabinet officers, their staffs, and those in positions of program responsibility in operating bureaus

- Honest presentation to the President of alternative views which the contending parties agree are fairly stated.
- Personal dedication by the President of the maintenance of due process in arriving at his major domestic policy decisions.

We, therefore, need institutions in the Executive Office of the President to identify issues, get Cabinet Department input, perform necessary analysis, and write fair and agreed upon documents for a Presidential decision. The Office of Management and Budget and a reconstituted Domestic Council staff could perform these functions, if there were clear Presidential support for such a system:

- OMB is already successful in this function, but it is somewhat narrow since it is tied closely to budget, to criticism of on-going programs, and to enforcement of existing policy. It needs certain changes which I will detail below.
- The Domestic Council has lacked either the staff or the charge of enforcing due process. It should be reconstituted and renamed to emphasize its new role, which I will also outline below.

No set of organizational structures in the Executive Office of the President is "President proof", but if the President wants due process in the Executive Branch decision-making, he must take conscious steps to install a staff structure that will permit it. Due process is hard work, and open decision-making is hard work, but with Presidential backing they are possible.

With respect to the development of domestic policy, what role should the Office of Management and Budget play?

I believe that OMB is, on the whole, one of the most effective institutions in the Executive Office of the President, and that it should be continued basically as now constituted. However, it is limited in some ways:

- Because it focuses narrowly on the Presidential view of national issues, OMB tends not to be sensitive to the validity of Congressional viewpoints.
- OMB is naturally more critical of existing programs than innovation in new programs.
- Because of its central focus on budget, OMB tends to be more concerned with efficiency than with responsiveness.

Because of OMB's strengths but also because of these weaknesses, I have only two recommendations concerning OMB:

- There is a constant danger which the Director should be cautioned to avoid of becoming too concerned with being a policy implementation policeman, and not enough concerned with being a transmitter upward to the President of Departmental views.
- Because of OMB's inherent narrowness of focus on the budget function, there must be other effective channels through which the Cabinet Departments can communicate with the President. I believe that the best additional channel would be a reconstituted Domestic Council.

Should the Domestic Council be restructured to provide the President with a more effective mechanism for the development of domestic policy? If so, how would you structure it?

I would restructure the Domestic Council, and emphasize the change by renaming it the National Policy Council. The change of name would be a reflection of a basic change in function.

The National Policy Council would work as a counterpart to OMB, to do what OMB cannot:

- Identify major policy issues which lie outside the present program structure.
- Supervise the process of analysis of these issues and research into underlying questions of fact.
- Fairly present Departmental views to the President for resolution.

Not every domestic policy decision can be or should be a matter for the National Policy Council, only major questions involving broad change, multi-departmental policies, and sharp alterations of direction. The National Policy Council should be a mechanism for communication between the Cabinet and the President on the "big ones," not on routine matters.

The National Policy Council staff need not be large, and in fact need be no larger than the present Domestic Council staff, but it should be managed by a senior White House adviser who:

- Has close access to the President

- Understands the difference between good and bad staff work
- Is devoted to due process

This suggestion for reconstituting the Domestic Council is based on the central idea that effective communication between the Cabinet and the President should be organized around sharply defined issues of Presidential concern on which opposing views are clearly and openly considered.

Secretary of the Interior



UNITED STATES
DEPARTMENT OF THE INTERIOR
WASHINGTON

August 13, 1974

Memorandum

To: Secretary Morton
From: John C. Whitaker

You asked for my comments on White House structure and institutions.

1. The Director of OMB over the past few years has become politicized. Instead of being what they should be, advocates for lower budgets and for questioning the benefits of a program, they have tended to put their finger up in the wind, find out how it is blowing, and vote that way. That tends to cheat the President of a puristic view which he is entitled to. Recognize that if OMB goes back to that original role, which I think they should do, then there will tend to be more decisions that have to be brokered by some institution because the Cabinet officers and the Director of OMB will have more conflicts.
2. OMB is probably not large enough. I have found over the years that clearing legislation on a timely basis is simply that there are not enough bodies in OMB to get recommendations up the ladder to the Assistant Directors' level. For all the power and responsibility that OMB has, I think they should have more people to do the job.
3. The Domestic Council--It should continue although the President might want to change the name. Its chief function should be to assist the Cabinet officers, the Director of OMB, and other bodies like the Council of Economic Advisers, the Council on Environmental Quality, etc., etc., to lay before the President policy options stripped of their bureaucratic minutia and politicized in the best sense of the word meaning that they reflect the realities of what is and what is not obtainable in terms of a bottom line in protecting the President from veto overrides. Most important, the

Director of the Domestic Council must submerge his own private position and meticulously strive to make sure the President receives all the facts. Like a Director of OMB, his effective tenure is at best two or three years. Too few people win and too many lose every time the President makes a decision, and no matter how honest a broker and referee the Director of the Domestic Council may be, he may inevitably be perceived by those department heads who lose out as a person who has blocked getting their particular view across to the President. This problem can be relieved to some extent and this can be the difference between President Nixon and President Ford if President Ford will take more time for a face to face meeting to tell a particular Cabinet officer that they have lost on a decision. There is a danger here, however, that decisions tend to degenerate into decision meetings with Cabinet officers advocating directly in front of the President without having done their homework and, therefore, the President makes a decision based on poor information. For that reason, I think it very important that the option paper procedure be continued so that all the facts are down on a piece of paper and read by the President before he goes into an advocacy meeting with Cabinet officers.

4. Economic Adviser to the President--I think the Rush role has turned into one where Ken thinks of himself as the prime economic adviser to the President where he should think of himself instead as the coordinator of economic advice. It seems to me that the economy is important enough that the President should face to face listen to the diverging advice of the Secretary of the Treasury, the Chairman of the Council of Economic Advisers, the Director of OMB, and the head of the Federal Reserve System. As an added protection, if he wants some coordination, then that staff man should be the Chairman of the Council of Economic Advisers.
5. Middle to long-term planning--One area where the Domestic Council failed was to either alone or with the help of OMB develop some long-term strategies. I don't mean by this

a national goals policy which turns out to be a fuzzy articulation of where the country may be in 10 or 20 years. What I do think should happen is that there should be a staff and a separate director working to answer the question, what should the State of the Union say two years from now? I deliberately specify two years as a way of not being so far out that your planning is unattached to political realities and not being so close that you get sucked into putting out the day-to-day fires in working on the immediate Presidential programs.

6. Finally, I think the President should come up with a very small list of things he wants to happen legislatively. It has to be small enough that he can personally involve himself. This President more than any in recent times is equipped to do this because of his close relationship with Congress. To assist him, he may wish to designate a small group of influential people in and out of government to help him lobby these programs through.

AGRICULTURE

INTERVIEW NOTES

SECRETARY BUTZ, Department of Agriculture

1. All Cabinets are faced with the OMB problem. There are too many entities over there involved in policy, P/R, legislation and that is wrong.
2. Same holds for the council of economic advisors. They should be kept out of operations. They should analyze and not get into policy. Stein spoke policy.
3. The Domestic Council has been second guessing OMB. The Domestic Council should be used as a policy vehicle and a strong secretariat for the Cabinet should be established. The Secretary of the Cabinet should be put along side the Chief of Staff. (Job should amalgamate with the Chairman of the Domestic Council one and the same). This is needed as a focal point.
4. National Security Council should be the number one attention of the President.
5. Need more Cabinet meetings. Establish a regular time.
6. Meeting should be defined and there should be just one management agency. OMB gets into too much minutia of management.

INTERVIEW NOTES

SECRETARY DENT, Department of Commerce

1. OMB has branched out into congressional relations. This is wrong. Departments should have total responsibility for Congress.
2. Domestic Council should be used but has been submerged under the management function of OMB. Perhaps the V.P. should chair.
3. The Domestic Council should be long range but the President needs a DOMESTIC COUNSELOR for quick decision.
4. President needs several advisors with a list of areas each one is responsible. A Science Advisor is essential.
5. President should make a "Call to America" for the "Best in America" to come to Washington and lend their talent. Have a big name head this. Departments should have more say in selection of personnel.
6. Reinvigorate Governors participation.
7. Timmons office needs better coordination with the Departments and has been fouled up with OMB.
8. Press office and Office of Communications should be under one head. Public affairs people in the Departments should be included in the operation. Their contributions could be significant. Deputy Press Secretary could head. Electronic media should be used to better advantage.
9. Need people in the White House to advise the President and not be out on a road show.
10. Domestic Council subcommittees should be developing long term and use Department staffs. On short term there should be a ~~coun~~ counselor with each area represented to make short term decisions.

11. Can't have the Department responsible for legislation and have OMB involved. Legislative Clearance has been one of the big faults of the past Administration.

12. White House has been so centralized that strong outside constituency has been beating on the doors of the White House. These contacts should be shifted back to the Departments.

13. We haven't utilized the economists within the Departments.

THE SECRETARY OF COMMERCE
WASHINGTON, D.C. 20230

August 14, 1974

The Honorable Rogers C. B. Morton
Secretary of the Interior
Executive Office Building - Room 267
Washington, D. C.

Dear Rog:

I am pleased to outline for consideration of the President's Transition Team, the matters which I discussed with you and Bob Hitt on Monday afternoon, August 12th:

I suggest that the effectiveness of the Executive Branch can be enhanced by restructuring the activities presently undertaken by OMB. The policy development and execution could perhaps be better coordinated by a group of Presidential Counselors who would be familiar with the President's desires and would interface with specified departments, although Presidential appeal would be preserved. The Counselors would be exclusively advisors to the President -- not Department heads in addition. Such a policy structure might be:

I. Economic Counselor

Departments of Treasury, Commerce,
Agriculture, Transportation and Labor.
Council on International Economic Policy
and Trade Representation. Federal Energy
Administration. Environmental Protection
Agency.

II. Domestic Counselor

Departments of Interior, Justice, HEW,
and HUD. Council of Domestic Policy
Development (i.e., coordination of
departmentally staffed task forces).

III. National Security Counselor

Departments of State and Defense.
National Security Council. CIA.

IV. Management Counselor

Budget Office
Personnel Selection & Recruitment
Council of Management Policy (i.e., the
Secretaries of the Departments).

Legislative initiatives that have been developed and approved by the appropriate Counselor and Secretary should then become the responsibility of the Department to negotiate through the Congress. Both the Counselor and White House Office of Congressional Affairs should be kept continuously informed of legislative progress. The Congressional Affairs Office would coordinate its counterpart functions in the departments.

The appropriate level of contacts between the Departments and the Counselors should be specified and adhered to.

The Vice President should be designated as the President's liaison with Governors, Mayors and other local jurisdictions. Previously this was an effective, popular arrangement and worked to the satisfaction of this broad constituency.

An Advisor on Science and Technology should be appointed to keep the President fully advised and to coordinate these operating elements in the departments to assure our continuing national supremacy and progress.

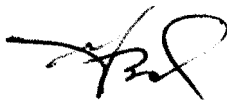
The President's Press Secretary should have responsibility not only for direct press contact, but also for maintaining liaison with Cabinet Departments' Public Affairs Officers, magazines, periodicals, etc. through deputies. The objective should be to open up all possible news opportunities in order to better serve the public's interest.

The Council of Economic Advisors should be asked to present a quarterly briefing to the Cabinet on the state of the economy. In preparation for this a meeting of economists from the Departments might be convened to review their various viewpoints. The schedule for these should be set a year in advance to provide for full attendance.

The transition review will provide a much needed clarification and redefinition of White House authority, delegations and responsibilities. This much appreciated step should be reciprocated on the part of each department by a review of its authorized interfacing with the White House and other departments and agencies.

If I can be of further assistance to your committee in its important task, please call upon me.

Sincerely yours,

A handwritten signature in black ink, appearing to be 'H. R. H.', written in a cursive style.

Secretary of Commerce

LABOR

INTERVIEW NOTES

SECRETARY BRENNAN, Department of Labor

1. Need something like OMB but OMB has been a problem in legislation. We understand the ~~com~~promise necessary in working with Congress—OMB does not.
2. Programs the President has a deep interest in we should be able to jaw-bone with him.
3. There should be better communication with OMB.
4. Departments must have more flexibility in carrying out President's wishes on legislation.
5. OMB does not understand polirical realities and they go to the Hill and take a position without our input.
6. Chairman of the Domestic Council should be someone the President trusts implicitly and is savvy.
7. OMB should take care of the budget and management of the budget and not get into Congressional negotiation. They are a real problem.

HEALTH, EDUCATION AND
WELFARE

INTERVIEW NOTES

SECRETARY WEINBERGER--Health, Education, and Welfare

1. A regular Cabinet meeting day should be established.
2. Establish a procedure by which memorandums sent to the President are actually delivered in the form in which they are sent and not paraphrased.
3. The Departments should work the Hill on Legislation--and not OMB. There have been occasions where a compromise has been worked out--goes to OMB to analyze--and they respond in a negative atmosphere--without being aware of the negotiations or being concerned about them. Cabinet members should negotiate legislation.
4. OMB has been expanding its role beyond fiscal policy and getting into policy formation and public relations activities.
5. OMB intervention by GS-15's has occurred with Agency Heads and their programs (NIH).
6. Department personnel should be welcomed by the White House and some facilities such as mess, tennis courts, etc., should be offered so as to create a friendly atmosphere.
7. President should visit Agencies such as NIH.



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D. C. 20201

August 12, 1974

MEMORANDUM FOR THE PRESIDENT

In response to your request for various suggestions concerning the relationship of the Cabinet Departments and the White House, which you thoughtfully proposed at your first Cabinet meeting, I will undoubtedly have several more fundamental suggestions in the future, but initially it occurs to me that it would be very well received indeed by the Cabinet if a regular Cabinet meeting day could be established so that we would all be able to plan our schedules so that we would not be out of town on speaking engagements when a Cabinet meeting is called.

In the past I heard a number of complaints, some of them justified I think, because of the very short notice of Cabinet meetings, and we never have had a regular Cabinet meeting day.

Of course, if you had other things come up there would be no problem about postponing the Cabinet meeting, and I think everyone would be fully understanding. The problem has been that we have frequently had Cabinet meetings called on about one day's notice and for several weeks, of course, we would go without any Cabinet meetings at all. I know all of the Secretaries make every effort to be present at every Cabinet meeting, but sometimes in the absence of having a regularly scheduled Cabinet meeting day, speaking engagements for out of town are made that are very difficult to cancel.

2. The other recommendation I would make at this time is that we have some procedure by which we can know when memorandums we send to the President actually are delivered to the President in the form in which they are sent, or that we see a copy of whatever paraphrased memorandum is sent in to the President.

It is very difficult indeed to know what the President has decided or what action he has taken on recommendations if we do not know whether our memorandums ever went to the President, or if so in what form paraphrased or otherwise it might have gone to him.

I think all of the Cabinet members would greatly appreciate either being advised that their memorandums were delivered directly to the President as sent in, or that they were paraphrased or added to longer memorandums, copies of which would then be sent directly to the Cabinet officers so they could know what it is the President is actually considering.

I realize that neither of these specifically relate to "the organization of the White House," but they do relate I think to the other part of your request which is as I understood it was the "suggestions concerning the relationship of the Cabinet Secretaries to the White House."

3. I certainly welcome, as I am sure do all of my colleagues the suggestion that you prefer short or face-to-face meetings rather than memorandums. I would infinitely prefer that type of communication and, to make sure your files and records were complete, would be delighted to summarize my understanding of such a meeting in a memorandum and send it to you right afterwards, unless, of course, you preferred to have one of your own staff make such a memorandum.

I believe this suggestion that you made at the Cabinet meeting would be perhaps the most welcome that any of the Cabinet members have heard for a long time.

None of the above suggestions should be taken as any reflection whatever on White House staff members.

My understanding is they were simply carrying out the requests and their understanding of the desires of President Nixon. However, I do believe that the suggestions you made at the Cabinet meeting and those contained in this memorandum would be very favorably received by each member of the Cabinet and generally would produce a better continuing relationship and understanding of all of the problems.



Caspar W. Weinberger



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D. C. 20201

Honorable Rogers C. B. Morton
Secretary of the Interior
Washington, D. C. 20240

Dear Rog:

I appreciated the opportunity to chat with you at lunch on Monday. My thoughts on the first question posed in the attachment to your August 12 letter are contained in the memorandum I gave you at that time. I would like to underscore the importance of direct contact with Cabinet members, a point that President Ford has made very effectively since assuming office.

With regard to the possibility of restructuring the Domestic Council, it is clear that the President will need a staff mechanism to help him sift, coordinate and develop domestic policy. The term "Domestic Council," however, is a misnomer because the Council itself has met only sporadically. For psychological reasons, I believe it desirable to drop the term "Domestic Council" and make the White House staff structure directly responsible to the President and used by the President as a communications link to the Cabinet.

Exactly how this should be done will depend on the President's personal style. Any way the staff mechanism is structured it will be necessary to have a staff specialist dealing with each of the major domestic areas. I would caution, however, against a large White House staff. It is important that this staff view itself as a conduit for the flow of information up and down, and not as an independent decision maker.

The principal role of the Office of Management and Budget should be to recommend budget policy to the President, develop the budget, implement the budget, coordinate legislation and help the President resolve inter-agency differences. OMB should not function as a line staff for individual members of the President's staff, nor should it involve itself in political judgments. But it should serve collectively as a significant staff resource for the President. OMB policy contacts with the agencies should be confined to the Secretary and those he designates. These contacts should be made by senior OMB officials.

OMB cannot and should not become the Government's "manager." It can and should coordinate management issues, foster sound management in matters of inter-agency scope and provide guidance and technical assistance in such areas as regional councils, executive development, organization, and management information systems. It should also have a small staff which can assist the President when crises arise (e.g., sky-jacking policy, extraordinary disasters). But the President should look to his Cabinet, not to OMB, for the line management of his Departments.

In general, OMB should keep a low profile. It should not take the lead in contacts with Governors, the Congress and the public. The more visibility OMB attains, the more difficult it will be for it to function as a staff arm of the President; visibility automatically means that OMB assumes an identity independent of the President, develops a position of its own and gets inevitably drawn into line decisions.

Page 3

One final point. The White House-OMB-Department relationship must be viewed in the broader context of the fragmented organizational structure of the Executive Branch which leads to cumbersome coordination mechanisms. To attack the basic problem, I recommend that President Ford endorse the mission oriented reorganization plans developed two years ago. I hope he would assume active leadership in seeking Congressional action.

I hope these brief thoughts are useful. Please let me know if I can help in any other way.

Sincerely,



Secretary

HOUSING AND URBAN
DEVELOPMENT

INTERVIEW NOTES

SECRETARY LYNN, Department of Housing and Urban Development

1. SHORT TERM

- a. Changes in organization sets you back from 2 to 3 years.
- b. Don't need any substantive organizational changes.
- c. We have things on paper we haven't implemented.
- d. Domestic Council
 - (1) Makes a lot of sense.
 - (2) Chairman of a Domestic Council Committee or task force must devote substantial time and his staff work should come from the Departments--assigned permanently (4 or 5).
 - (3) Chairmanships should be rotated. This gives the President a method by which he can meet on a subject more often and with several Departments at once.
 - (4) The White House liaison man must be someone who can look way down stream and could monitor sloppy work and return if changes needed.
- e. OMB
 - (1) The one place for pure professionalism. Should not be concerned with Congress but looks for the good of all the country. It has been involved in all aspects--Management (?) politics, etc. They should be involved in systems and clear legislation.
 - (2) Departments could use management help, from them. Limit their policy involvement when Department is working on it.

2. LONG TERM

- a. Many things have cut across other activities such as FEA and what happens to Department of Energy and Natural Resources.

- b. Operations such as these should be folded back into the Departments.
- c. Don't need CEQ or EPA as separate entities.
- d. Immediate problem is economic coordination (RUSH). Take a hard look and go back to a single person to chair. Should be institutionalized. If you need coordination on international economic policy it should be handled by the State Department (Ingersol) or a Deputy Secretary of Treasury. Recommend elimination of Rush Office.



~~CONFIDENTIAL~~

KSH 12/27/93

THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C. 20410

August 15, 1974

MEMORANDUM FOR: Secretary Rogers C. B. Morton

From: James T. Lynn

Subject: White House Organization Etc.

This is in response to your letter of August 12 on the White House organization, the Domestic Council and the role of OMB, and will simply record in very brief form what I said in our meeting on Monday. I apologize that this memo is not "tighter", better organized and more concise, but the demands of S. 3066 and my appropriations bill got in the way.

A. Some General Principles and Comment

1. The White House must be kept advised on important initiatives developed by the departments and agencies and, where the initiative is important enough to be of Presidential interest, there must be time in the mechanism for Presidential consideration.
2. The Cabinet as a body is a poor group for considering most issues, because most issues rarely are of interest to all Cabinet members. On the other hand, there is rarely an important initiative of any one Cabinet department or important agency that does not have material impact on certain other departments and agencies. In other words, inter-departmental and agency coordination is a "must".
3. In the past, too many departmental or agency initiatives requiring Presidential review have been less than satisfactory in (a) how well the facts and alternatives have been developed, (b) the form of presentation for Presidential decision-making and (c) proper coordination with other interested departments and agencies. The cure up to now has been usually sought by "working

around" the initiating department or agency by "redoing" the job through White House and OMB staff assembled for that purpose. This is an unsatisfactory approach for a number of reasons, but particularly because (a) no amount of White House staff can substitute for the knowledge and expertise that should, and in many cases does, exist within the departments and agencies, (b) such "redoing" is inevitably last minute on a crisis basis, without adequate review by the impacted departments and agencies, and (c) it undermines the authority and responsibility of the department and agency heads. Having said this, however, it also seems clear that inter-departmental and agency coordination on important initiatives and the preparation of materials for Presidential consideration involves enough time and the development of special skills that the staff work should be handled by staff personnel particularly chosen for that activity. But the bias of their work should be to draw out the best results from the departments and agencies involved and not a bias of "we're smarter than you" and "we'll just do it ourselves".

4. If consistently bad work emanates from a department or agency the solution does not lie in "working around" that organization but in improving or changing its management.
5. Although, as indicated above, a vital objective must be to make the departments and agencies do the work, the President must have a small staff of his own, directed by someone who answers directly to him, with responsibilities covering all areas of domestic policy with exceptions clearly delineated (such as defined economic and energy areas). The duties of this White House staff would be essentially twofold. First, a responsibility to look at the forest rather than the trees, e.g., are there areas of domestic policy that are not receiving adequate attention, are there problems or opportunities for action down the road which are not being adequately addressed. A second responsibility would be to serve as the President's liaison in seeing that the mechanisms established for development of policy and programs at the departmental and agency level work effectively and to assure that the presentations of the issues

to the President for decision are as good as possible. Although the function is vital, the thrust of such staff effort should be to make the departments and agencies do the job right and resist the "do it yourself", "I know better" possibilities to which such a staff can be highly susceptible.

6. I do not see the need for a separate economic coordinator outside the Troika and Quadriad. These latter groups must have direct access to the President. Of course, their efforts must be coordinated, but this should be done through appointment of a chairman. The chairman must be someone in whom the President has the greatest confidence, and if he can't find that kind of person among the incumbents, he should put someone within the Troika that enjoys that kind of confidence and appoint him chairman.
7. Presidential decision-making is best served by having both written presentations and discussion on the issue. One without the other won't do it. Whether or not the President reads them in full, written presentations are not only the way to get people to think through the problem, the options and recommendations, but also make the discussion shorter and to the point. On the other hand, notwithstanding fine staff work in preparation of the written materials, Presidential discussion with the involved parties will always give the President a "better feel" of the situation, provide a very useful way for him to size up the abilities of his top officials and enlist their support for calls that they might not entirely agree with, and will sometimes ferret out options that some way or another were overlooked (particularly taking into account the political environment).
8. White House press secretary affairs and communications and White House liaison on communications with the departments and agencies should be all under one head.
9. There are too many special councils and the like in the White House. I suspect some could be made committees within the Domestic Council (or its successor organization).

B. The Domestic Council

The concept is excellent -- group cabinet members, in committees and task forces, by domestic areas or issues in which the particular members have or should have an interest.

In practice, the Council has been utilized very little. I suggest the following:

1. The President should make it clear that Domestic Council action, principally through its committees and task forces, is to be the principal vehicle for the development and consideration of domestic issues (with defined exceptions) which require inter-departmental and agency consideration and the principal vehicle for presenting to the President domestic issues requiring his consideration.
2. A new, hard look should be given to the existing committees and subcommittees to see whether they fit today's needs. I opt for fewer subcommittees and more task forces that can be put together to fit the particular issue and dissolved when the work on that issue is completed. As part of this look, consideration should be given to changing some of the free-standing White House councils and committees into committees within the Council, or at least to require reporting through the Council.
3. The committees and task forces of the Domestic Council won't work unless the President makes it clear that the individual departments must work through that process and makes it clear that the cabinet officers are to give a top priority to making it work.
4. Each cabinet officer who is chairman of a committee, subcommittee or task force should be made aware that while he serves in that role he is responsible for the work of that group and is expected to spend a substantial amount of time on that activity.

5. The chairman of a committee or task force should be chosen from among the members of the group on a rotational basis. Three reasons: first, to avoid the "Super Secretary" image; second, to limit the period of time any cabinet member has such additional duties beyond purely departmental duties; and third, so that every domestic cabinet member gets the experience (which I predict will make each chairman a much better Secretary of his own Department -- more knowledgeable of what goes on outside his own shop and more sensitive to the need to coordinate).
6. There must be a separate staff for each standing committee. If the committees are really going to be used, the volume of work will require a staff. Since the idea is departments working together, the departments represented on the particular standing committee should furnish the slots. The staff quality must be first rate, and staff should have no responsibility other than Domestic Council work. If just can't be done by assignment by the cabinet members to others on their own staffs who have other responsibility. To give continuity, the rotation of the chairman should not automatically mean change in the staff.
7. The standing committees must have a separate physical presence, and I suggest a small set of offices for each committee at the EOB. The reasons are: first, such presence indicates the importance attached to the function; second, separate facilities emphasizes the fact that this operation is separate from regular departmental work and requires separate effort from such work (which will be particularly helpful in getting the chairman to allocate time to such effort); third, it will be very useful for the committee staffs to have a close relationship with their counterparts at OMB and with the President's small domestic affairs staff.
8. The small domestic affairs staff of the President, on White House payroll, would have generally the functions mentioned for it earlier in this memo. For example, if the work on the issue by the Domestic Council committee were not up to snuff, such staff would see that the work is redone right -- but by the committee, not "do-it-yourself".

I think it important that this staff, particularly its head, be oriented at least as much "outward" as "inward" -- in other words, communicate fully with Hill, media and the interest groups.

9. When the committee work on the issue is completed and the paper has gone to the President -- and perhaps occasionally even earlier -- the President would meet with the members of the committee to discuss the options and recommendations. This would give the cabinet officer access to the President on a fairly frequent basis but save his time inasmuch as there would be less need for "one-on-one", and these discussions would not be "chit-chat" but, rather, action oriented.
10. Some consideration should be given to giving such Domestic Council committees or their staffs a role in the coordination of testimony and review of budgets. At the least, such committees should be useful where there is a hang-up on testimony between a Department and OMB.

If we can really make the Domestic Council work, perhaps -- but only perhaps -- Congress might do something similar as to domestic issues that cut across their committee structures. Also, perhaps there should be a new name for the Council to show that it is a new effort, but at first blush I opt against it.

C. OMB

I think OMB probably has, "man-for-man", the most talented, professional group in the Executive Branch. On the "Budget" side, it also has one of the roughest jobs.

It is vital that OMB be "pure" -- professionals that ferret out "what is right" as a matter of substance, both on program content and level. All the rest of us just can't be, no matter how we try -- if for no other reasons than that we are so sensitive to the political realities, that we "care" for our particular constituencies and that we are dependent on staffs that, understandably so, may not see the "larger picture".

However, the other side of the coin is that OMB should not, and should not try to, make the political calls. To be sure, OMB, at its upper reaches, should do its best to have good Hill and interest group relations, but no matter how hard it tried, OMB can never be as "up-to-date" with a particular Hill committee or particular group as the cabinet officer who deals with those particular ones day-in-and-day-out if he is doing his job right.

Therefore, if there is a clash between OMB and the department or agency, there must be a right of appeal. It would be hoped, however, that both parties would do their best to keep such appeals to a minimum.

On the management side, I think OMB can be of great assistance to the departments and agencies. For example, we at HUD need all the help we can get on sound management practices (including installation of a good management information system.) Also, I think OMB could help greatly in the design of methods to do a good job of program evaluation -- is the program really helping the people it should, at what cost?

Other areas for improvement that come to mind, apart from the matters discussed above, would include the following: (a) at the lower levels, to be less "heavy-handed" in style of dealing with departments and agencies, (b) to give the lower levels more leeway to make relatively minor compromises that make sense (because I detect fear on the part of some at such levels that if they give up anything they will be criticized for it, and this wastes time of higher officials at the department and at OMB), (c) to beef up substantially the capacity to give "management consultant" kinds of help and (d) to be willing to get into the development of a departmental initiative or evaluation early in the process so that when the time for final OMB sign-off comes, the departmental choice won't be drastic compromise or delay, as is too often the case today.

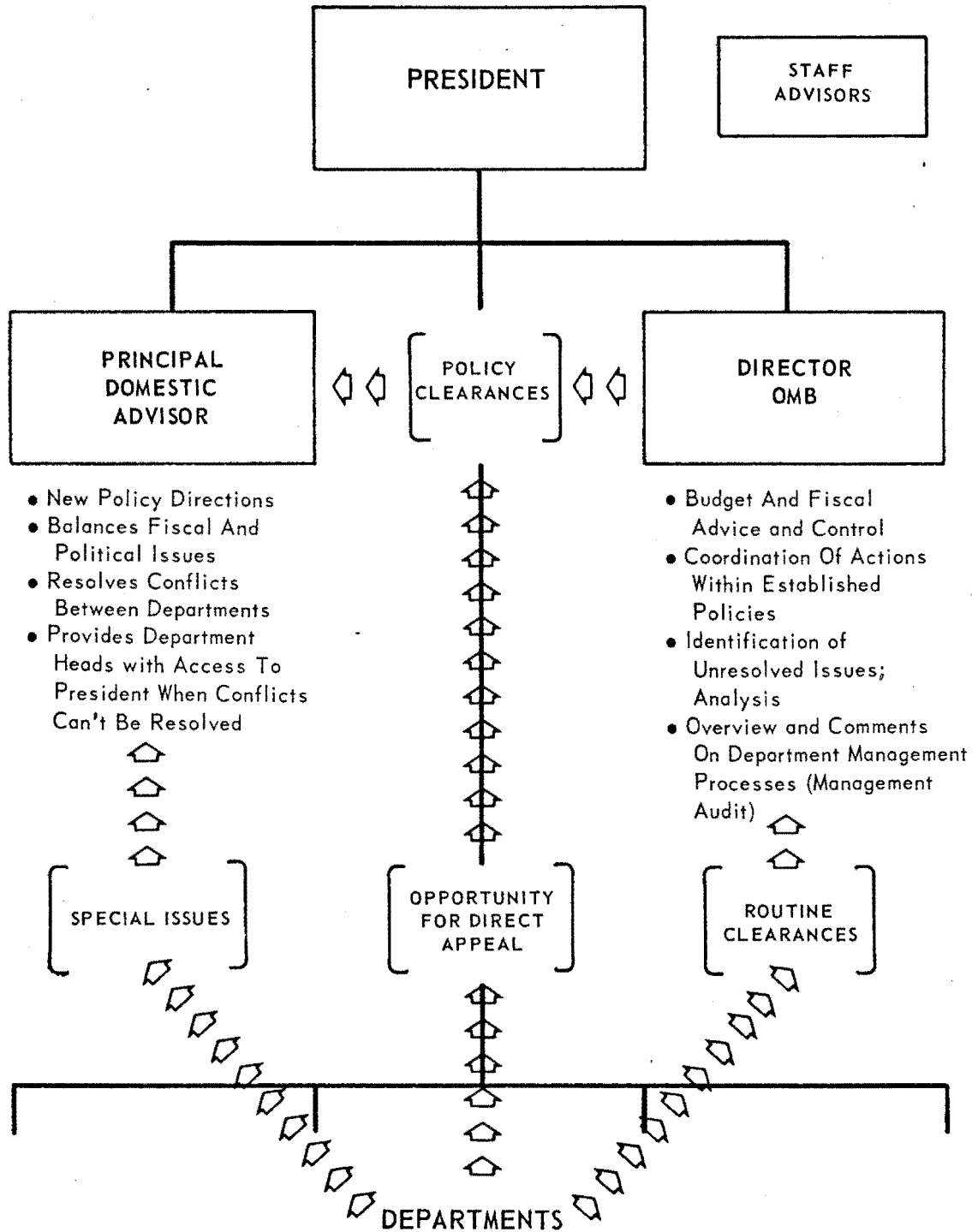
TRANSPORTATION

INTERVIEW NOTES

SECRETARY BRINEGAR, Department of Transportation

1. OMB should be the fiscal conscience of the President. Clearance and coordination NOT CONTROL.
2. Use of Domestic Council (By Chart)
3. Council of Economic Policy was a mistake.

DOMESTIC DECISION MAKING



See Secretary Brinegar's Comments in Section on "Interview Comments".